

October 1, 2013

Chairman Jeb Hensarling  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Ranking Member Maxine Waters  
House Financial Services Committee  
B301C Rayburn House Office Building  
Washington, D.C. 20515

Chairman Randy Neugebauer  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Ranking Member Michael Capuano  
Subcommittee on Housing and Insurance  
B301 C Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Hensarling, Chairman Neugebauer, Ranking Member Waters, and Ranking Member Capuano:

The undersigned organizations write to you to express concerns over drastic increases in flood insurance premiums as a result of recent changes to the National Flood Insurance Program (NFIP). Provisions included in the Biggert-Waters Act of 2012 will make flood insurance unaffordable for citizens who built to code and followed the law every step of the way. Congress should consider longer-term legislation to balance fiscal responsibility with premium affordability. In the meantime, we urge you to delay these provisions until FEMA submits its congressionally mandated affordability report.

As you are aware, the Biggert-Waters Act will phase out grandfathering. This means that properties that were built in accordance with all FEMA required elevations and applicable codes at that time may now be considered out of compliance, through no fault of their own, due to new flood mapping. FEMA has begun the phase-out for other properties, including homes purchased after July 2012, and already we are seeing rate quotes for unaffordable increases. In some instances, homeowners that have never flooded and built to code are facing 2000-3000% increases in annual premiums. This drastic increase in premiums will cause property values and assessments to drop, bank mortgages to go into default, local tax bases to erode, and economies to be eviscerated. And ironically, while the intended effect of the removal of grandfathering was to make the NFIP solvent, it will have the opposite effect because homeowners and business owners will be forced to drop out of the program completely.

The U.S. House of Representatives and Senate Appropriations Committee passed language as a part of the Department of Homeland Security Appropriations legislation to delay the phase out of grandfathered rates for one year. This is a step in the right direction, as it is abundantly clear that more time and additional actions are needed to ensure continued affordability. Congress should also add the purchased properties and extend the delay beyond a year. FEMA must first complete the affordability study as required by the Biggert-Waters Act, which was required to be completed in April 2013, prior to rate increases taking effect. We request that you urge FEMA to complete the affordability study as soon as possible so that the full scope of impact is understood.

The undersigned organizations support a fully authorized, sustainable, fiscally responsible National Flood Insurance Program. However, fiscal sustainability must be balanced with protecting the businesses and homeowners who built according to code and have followed all applicable laws. We understand and support the intent of the reforms in the Biggert-Waters Act, but unintended consequences of the changes threaten to harm the very people the program was designed to protect.

Sincerely,

American Bankers Association

Community Associations Institute

Independent Community Bankers Association

National Association of Home Builders

National Association of REALTORS®

National Levee Issues Alliance

National Waterways Conference

U.S. Chamber of Commerce

Alabama Gulf Coast Chamber of Commerce  
Gulf Shores, AL

Algiers Economic Development Foundation  
New Orleans, LA

American Shrimp Processors Association  
Biloxi, MS

Apartment Association of Greater New Orleans  
& Louisiana  
Metairie, LA

Arkansas Bankers Association

Associated Risk Managers International, Inc.  
Itasca, IL

Baldwin County Board of REALTORS®  
Robertsdale, AL

Baldwin County Economic Development  
Alliance  
Robertsdale, AL

Baton Rouge Area Chamber  
Baton Rouge, LA

Bay Area Houston Economic Partnership  
Houston, TX`

Bayou Board of REALTORS®  
Houma, LA

Bayou Industrial Group  
Thibodaux, LA

Broad Channel Civic Association  
Queens, NY

The Chamber Southwest Louisiana  
Lake Charles, LA

Central Louisiana Board of REALTORS®  
Alexandria, LA

Coastal Alabama Partnership  
Mobile, AL

Colorado Bankers Association

Eastern Shore Chamber of Commerce  
Daphne, AL

East St. Tammany Chamber of Commerce  
Slidell, LA

Eden Isles Homeowners Association  
Eden Isles, LA

Florida Bankers Association

Florida REALTORS®

Greater Baton Rouge Association of REALTORS®  
Baton Rouge, LA

Greater Fort Polk Area REALTORS®  
Leesville, LA

Greater New Orleans Foundation  
New Orleans, LA

Greater New Orleans Housing Alliance  
New Orleans, LA

Greater New Orleans, Inc.  
New Orleans, LA

Greater Tampa Chamber of Commerce  
Tampa, FL

Gulf Coast Bank & Trust Company  
New Orleans, LA

Gulf Shores - Orange Beach Tourism  
Gulf Shores, AL

Gulf United Metro Business Organization  
Baldwin County, AL

Hammond Area Economic & Industrial  
Development District  
Hammond, LA

Hammond Chamber of Commerce  
Hammond, LA

Harvey Canal Industrial Association  
Harvey, LA

Historic Charleston Foundation  
Charleston, SC

Home Builders Association of Greater New  
Orleans  
Metairie, LA

Home Builders Association of Mississippi  
Jackson, MS

Home Builders & Remodelers Association of  
Cape Cod  
Hyannis, MA

Home Builders & Remodelers Association of  
Massachusetts  
Springfield, MA

Houma-Terrebonne Chamber of Commerce  
Houma, LA

Independent Insurance Agents & Brokers of  
Louisiana

Indiana Bankers Association

Jefferson Parish Economic Development  
Commission  
Avondale, LA

Jefferson Chamber of Commerce  
Metairie, LA

Lafourche Chamber of Commerce  
Larose, LA

Livingston Board of REALTORS®  
Denham Springs, LA

Long Island Association, Inc.  
Melville, NY

Louisiana Association of Chamber of Commerce  
Executives

Louisiana Association of Home Builders

Louisiana Bankers Association

Louisiana Floodplain Management Association

Louisiana REALTORS®

Mariner Village Townhome Association  
Pasadena, TX

Marshfield Citizens Coastal Coalition  
Marshfield, MA

Massachusetts Bankers Association

Mississippi Association of REALTORS®

Mississippi Bankers Association

Mississippi Gulf Coast Business Council  
Gulfport, MS

Mobile Area Chamber of Commerce  
Mobile, AL

Natchitoches Board of REALTORS®  
Natchitoches, LA

New Jersey Bankers Association

New Jersey State Chamber of Commerce

New Orleans Business Alliance  
New Orleans, LA

New Orleans Center for Creative Arts  
New Orleans, LA

New Orleans Metropolitan Association of  
REALTORS®  
New Orleans, LA

North Dakota Association of Realtors

NMD, Inc.  
Slidell, LA

Northeast Louisiana Association of REALTORS®  
Monroe, LA

Northshore Area Board of REALTORS®  
Folsom, LA

Northshore Business Council  
Mandeville, LA

New York Bankers Association

Parish Government Risk Management Agency  
(PGRMA)

Pennsylvania Bankers Association

Plaquemines Association of Business & Industry  
Belle Chase, LA

Port of South Louisiana  
LaPlace, LA

REALTOR® Association of Acadiana  
Lafayette, LA

Red Hook Civic Association  
Brooklyn, NY

Restore or Retreat  
Thibodaux, LA

Reve Inc  
LaPlace, LA

River Region Chamber of Commerce  
Laplace, LA

Save Our Communities 2013  
Brick, NJ

Scituate Coastal Coalition  
Scituate, MA

Northwest Louisiana Association of REALTORS®  
Shreveport, LA

Saints Board of REALTORS®  
Boutte, LA

South Baldwin Chamber of Commerce  
Foley, AL

South Central Industrial Association  
Houma, LA

South Louisiana Economic Council  
Thibodaux, LA

South Shore Chamber of Commerce  
Rockland, MA

Southwest Louisiana Association of REALTORS®  
Lake Charles, LA

St. Bernard Chamber of Commerce  
Chalmette, LA

St. Bernard Economic Development Foundation  
Chalmette, LA

St. Charles Parish Economic Development  
Council  
Hahnville, LA

Stop FEMA now  
Brick, NJ

St. Petersburg Area Chamber of Commerce  
St. Petersburg, FL

St. Tammany Economic Development  
Foundation  
Mandeville, LA

St. Tammany West Chamber of Commerce  
Covington, LA

Thibodaux Chamber of Commerce  
Thibodaux, LA

Vermont Bankers Association

Virginia Bankers Association

Wisconsin Bankers Association

World Trade Center of New Orleans  
New Orleans, LA